

**Isaacson & Duffy, P.C., On behalf of the Santa Cruz Valley Citizens Council (SVCC)**

**Page 1 of 5**

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October 14, 2003

Dr. Jerry Pell  
Senior Environmental Scientist  
Fossil Energy, FE-27  
U.S. Department of Energy  
Forrestal Bldg., Room 4G-025  
Washington, DC 20585

Re: *Tucson Electric Power Company (TEP) Sahuarita-Nogales Transmission Line Draft Environmental Impact Statement (DOE/EIS-0336)*

Dear Mr. Pell:

Please consider these comments of the Santa Cruz Valley Citizens Council (SCVCC) regarding the above Draft EIS. SCVCC represents hundreds of property owners in and around the area of Tubac, Amado, Carmen and Tumacacori, Arizona. SCVCC has participated in the DOE's process leading to this Draft EIS. It also participated in the hearings before the Arizona Corporation Commission that led to the Commission's approval of the Western Route and its rejection of all other alternative routes. I appeared at the public hearing on September 26, 2003 in Nogales, Arizona, and indicated we would file more detailed comments in writing. These are those detailed comments.

DOE has adopted the Western Route as the appropriate route. If a route is to be chosen, and if the Presidential Permit is to be granted, SCVCC agrees that the Western Route is the only choice. We leave it to the DOE to determine whether this project on the Western Route is of sufficient value to the citizens of Arizona to cause the damage to the Western Route that the project would cause. We also remind you that the "no action" alternative may be the best alternative, and suggest that if you determine that the value of the project is exceeded by the damage to the Western Route, your only alternative is "no action."

SCVCC has some particular concerns with the language of, and process leading to, the Draft EIS. The balance of these comments details those concerns.

**Comment No. 1**

This EIS evaluates the affected environment and potential environmental impacts of the proposed project and No Action Alternative. Section 1.6.6 explains that there are other factors in addition to environmental considerations that may be considered in the decision of each Federal agency on the proposed project, and that the decisions of each agency will be explained in their respective RODs, or as a letter of concurrence in the case of the USIBWC.

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**Central Route Should Not Be Considered an Alternative**

We note that in the process for this Draft EIS, TEP proposed four alternatives: the Western Corridor; the Central Corridor; the Crossover Corridor; and the Eastern Corridor. However, the Eastern Corridor

"was eliminated from further analysis as a reasonable alternative in this EIS at TEP's request, for reasons of reliability, constructability, existing encroachment into the ROW, and visual impacts."

Draft EIS, Summary, Page S-2; also Chapter 2, pages 2-8 through 2-10.

We do not quarrel with the decision to eliminate the Eastern Corridor. Rather, SCVCC believes that the Central Corridor should also have been eliminated at the outset and not considered a "reasonable alternative." The grounds for this belief are many, and in the interest of not duplicating a pre-existing record, are found in the proceedings of the Arizona Corporation Commission and the Line Siting Committee hearings at which SCVCC participated.

In summary, the Central Corridor includes some of the earliest populated and most culturally sensitive portions of Southern Arizona, including the historic Town of Tubac and the Mission at Tumacacori. It includes a higher population density, which would mean greater perception of the deteriorated viewshed if the project were placed in it. The Central Corridor also places the transmission line in much closer proximity to a public school.

The significance of these factors and others led the Line Siting Committee, and then the Corporation Commission, to specifically reject the Central Corridor. Because of the significance of this fact, we would like to provide details of this action. It is important to recognize that it is not as if the Committee and the Commission simply thought the Western Corridor was preferable-they specifically and categorically rejected the Central Corridor as a reasonable alternative.

At the Corporation Commission's hearing on January 3, 2002, Line Siting Committee Chairman Laurie Woodall addressed the Commission as follows:

On October 19th, 2001, I filed with the Commission a form of decision and certificate. 10 days later I filed an amended decision to correct a clerical error, for which I do apologize, in the original decision that I filed. *I included erroneously a legal description for the central route, which as you are well aware, was something that the Committee did not approve.* And if I may just briefly address that latter point, because I have myself reviewed the transcript of the public hearings, the briefs of the intervenors and the applicant on the request for

**Comment No. 2**

The Eastern Corridor was eliminated from further consideration in this EIS because of the reasons given by TEP in a letter to DOE (TEP 2002a) that rendered it infeasible (see Section 2.1.5 for further discussion of elimination of the Eastern Corridor), regardless of the actions of the ACC. The Central Corridor, however, remains a viable alternative for selection by the Federal decisionmakers. However, implementation of the proposed project in the Central Corridor could not occur until TEP meets all regulatory requirements, including obtaining the necessary approval from the ACC.

The specific concerns cited by the commentator of visual and cultural impacts from the Central Corridor are addressed in Sections 4.2 and 4.4, respectively. The visual analysis includes a Visual Sensitivity Map (Figure 4.2-4) based on residential density and topography, which shows that portions of the Central Corridor are closer to more densely populated areas than the Western and Crossover Corridors. Section 4.4.1.2 addresses the visual impacts on the Tumacacori and Tubac historic sites. Additionally, a report in Appendix I has been added to the EIS to include a specific evaluation of visual impacts on the Tumacacori and Tubac historic sites. The conclusion of that report is as follows: "Although the Central Corridor is very visible from many other locations, it is unlikely that the line would be visible from the Tumacacori and Tubac historic sites."

There are a number of schools between Sahuarita and Nogales, Arizona, but none are located within any of the study corridors or their immediate vicinity.

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Council (SVCC)

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rehearing and the oral argument, and I do know that *at some point in the proceedings, the suggestion was made that somehow the Committee just skipped over the notion of the central route, and I wish to assure the Commission that our decision was not inadvertent.* And I think it can be explained by the fact that during the reopening of the applicant's case, we were presented with additional evidence which made it unnecessary for us to review our preliminary determination that *only the western route was acceptable. And I would specifically draw to the Commission's attention TEP Exhibit 33, which consists of a letter from the State Historic Preservation Office indicating its recommendation that the preferred route be selected. In the letter Mr. Bilsbarrow, who is an experienced archeologist and actually presented information before the Committee, provided information concerning the historical and cultural sensitivity to the Tubac and Tumacacori areas, and I believe more detailed information concerning that was contained in Mr. Halpenny's comments.* So I just wanted to make that clarification for your benefit, and I'll be pleased to entertain any questions.

(Transcript of Proceedings, Arizona Corporation Commission, January 3, 2002 ("T.R. 1/3/02" page 17, line 23 through page 19, line 9, emphasis added).

Commissioner Spitzer then queried Ms. Woodall:

COM. SPITZER: Ms. Woodall, then your statement today is to the effect that based on the record, *the central route was considered and rejected?*  
MS. WOODALL: Yes.

(T.R. 1/3/02, page 19, lines 13 through 16, emphasis added.)

Later, Commissioner Spitzer moves an amendment to the CEC that makes it clear that the Central Route was rejected. That amendment, adopted by the Commission unanimously (see T.R. 1/3/02, page 108, line 15 through page 112, line 25) is codified in the Commission's decision on this case, as follows:

The Commission further modifies the CEC to add the following Ordering Paragraph:

*The preferred alternative central route, cited in the Application at page 12, section 4.2.5.2, and the alternative eastern route, cited in the Application at page 13, section 4.2.5.3 are hereby denied.*

(Arizona Corporation Commission Decision No. 64356, January 15, 2002, page 3, lines 25 through 28, emphasis added).

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As has thus been demonstrated, neither the Line Siting Committee nor the Corporation Commission considered the Central Corridor a reasonable alternative. This was also consistent with the position of every applicable local governmental entity, including among others Santa Cruz County and the City of Nogales.

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cont.

For these reasons, DOE should not consider the Central Corridor a reasonable alternative, and should remove it from its analysis, just as it removed the Eastern Corridor. To include the Central Corridor after removing the Eastern Corridor would be an arbitrary and capricious act, and constitute an abuse of discretion of the agency.

**Damage to Property Values Should Be Considered**

A further concern regarding the language of the Draft EIS is its dismissal of the concerns of property owners that their property values will be lessened. (See Summary page S-19, and Chapter 2, page 2-26, under Socioeconomics.) There, the Draft EIS opines that "any decrease in property values would be perception-based impact . . . [based] upon the subjective perceptions of prospective purchasers in the real estate market at any given time."

The Draft EIS goes on: "[A]ny connection between public perception of a risk to property values and future behavior would be uncertain or speculative at best and therefore would not inform decision making."

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The Draft EIS clearly confuses the distinction between the speculative nature of the *amount* of the decrease in property values as opposed to the non-speculative certainty that property values will decrease. There is no speculation in the statement that property values will decrease for those properties that have the power line in them, and for some gradient around those properties. That is a fact. The amount of decrease in value is certainly subject to differences of opinion. But the fact that these properties will decrease in value is not speculative and "would . . . inform decision making."

The Central Route has not only more cultural and historical resources than any of the alternatives, it also has many more people. These people will suffer "visual impacts." It is because of these "visual impacts" that property values will decrease. The decrease in property values may be only a proximate result of the visual impacts; nevertheless, the Draft EIS makes considerable and proper use of visual impacts, and to simply ignore the valuation decreases resulting from those impacts denies reality. In our society, based as it is on private property rights, the way we keep score with respect to more ephemeral values (such as scenic beauty) is to attach different values to properties with different amenities. To say property values will decline is to recognize that the properties suffering from the most detrimental "visual impacts" will have an attendant decrease in value. It is high-handed for the DOE to essentially find that these decreases are really not worth considering, when in fact these decreases are an objective way of translating the "visual impacts" into a more concrete measure.

**Comment No. 3**

The Federal agencies recognize that a given property owner's value could be affected by the project, but have not attempted to quantify the theoretical public perceptions of property values should the proposed project be built. Section 4.5 states that based on analyses in previous EISs of the impact of transmission lines and property values in other geographic areas, the Federal agencies can conclude only that, at worst, it is possible that there might be a small negative economic impact of short duration to some properties from the project, and that the impact on value would be highly variable, individualized, and unpredictable. The studies at most conclude that other factors, such as general location, size of property, and supply and demand factors, are far more important criteria in determining the value of residential real estate.

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**The Project Does Not Provide Significant Benefits to the People of the Santa Cruz Valley**

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Finally, we must emphasize a point that may be overlooked. The value of this project is predominantly to TEP and its shareholders. At least 80% of the capacity of this project is related to sales to Mexico. At most 20% concerns the people in Nogales and Santa Cruz County. An even smaller percentage is for the benefit of the people of the Tubac area, or the Santa Cruz Valley more generally. Yet, the Central Route would be entirely to the detriment of these people. It is not as if the people of Santa Cruz Valley had caused a demand for a 345 kV line, or require 500 MW of power, then complained when it came to them.

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cont.

Other alternatives should be considered to resolve any issues that may exist in the Southern part of Arizona. It is DOE's obligation to determine whether the need for the project exceeds the damage to the environment caused by going over the Western Route. The damage caused by the project over the Central Route would greatly exceed its value to anyone but TEP shareholders. For these reasons, on behalf of the Santa Cruz Valley Citizens Council, we respectfully request that you reject the project in its entirety and select the "No Action" alternative unless you determine with certainty that the damage to the Western Route is worth it.

Very truly yours,

**Steven J. Duffy**

Steven J. Duffy

**Comment No. 4**

This EIS evaluates the proposed project's potential environmental impacts, which under CEQ NEPA-implementing regulations encompass the natural and physical environment, as well as the relationship of people with that environment (40 CFR Part 1508.1). Any analysis of the beneficiary (or beneficiaries) of the proposed project beyond NEPA's definition of environmental impacts is outside the scope of the EIS.

The ACC is vested with the state's authority to decide how it believes energy should be furnished within Arizona's borders (for example, the need for and effectiveness of transmission lines within its borders). Refer to the revised text in Section 1.1.2, The Origin of TEP's Proposal: TEP's Business Plan and the Proceedings of the Arizona Corporation Committee, that provides explanation of the jurisdictions and authorities of the state and Federal agencies, and their relationship to this NEPA analysis. TEP's proposal has a dual purpose. It is intended to address the problems with electric power reliability in Santa Cruz County, Arizona, and to cross the border to interconnect with the Mexican electrical grid. Potential economic benefit to TEP from the proposed project is outside the scope of the EIS.

**Nogales Alliance: Port of the Future**  
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October 12, 2003

Dr. Jerry Pell  
Senior Environmental Scientist  
Fossil Energy, FE-27  
U.S. Department of Energy  
Forrestal Bldg., Room 4G-025  
Washington, DC 20585

**Subject: TEP Sahuarita-Nogales 345 KV Transmission Line Project**

Dear Dr. Pell:

The Nogales Alliance: Port of the Future is a non-profit 501(c)(6) community based organization. The organization is committed to enhancing local infrastructure and improving the free and unimpeded movement of goods, services, technology, and people across the U.S./Mexico Border at Nogales to strengthen cross border trade and commerce opportunities for local businesses.

The Nogales Alliance: Port of the Future Board of Directors is comprised of representatives from the business community, industry clusters such as fresh produce and customs brokers, and local, state, and federal governments. On October 7, 2003, the organization's Executive Board voted to support the construction of the TEP Sahuarita-Nogales 345 KV Transmission line along the proposed Western route. This route will advance economic growth, education and quality of life within the region with minimum environmental impact.

Sincerely,

Vice-President  
Nogales Alliance: Port of the Future

**Comment No. 1**

The Federal agencies note the commentor's preference for the Western Corridor. The socioeconomic impacts associated with the proposed action are discussed in Section 4.5.

**Nogales Santa Cruz County Economic Development Foundation**  
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**Comment No. 1**

The commentor's preference for the Western Corridor is noted. The socioeconomic impacts associated with the proposed action are discussed in Section 4.5

TEP environmental impact statement

From: Jim Barr [SMTP:barrjnb@hotmail.com]  
To: Pell, Jerry  
Cc: susanm@nogales.com

Subject: TEP environmental impact statement  
Sent: 10/13/2003 2:52 PM  
Importance: Normal  
Nogales Santa Cruz County Economic Development Foundation  
1790 N. Mastick Way, Suite E  
Nogales, Arizona, 85621  
Phone: (520) 377-2055  
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Nsccedf@nogales.com

September 13, 2003  
Dr. Jerry Pell  
Office of Fossil Energy  
U.S. Department of Energy  
Jerry.Pell@hq.doe.gov

Re: Draft Environmental Impact Statement  
TEP Sahuarita-Nogales Transmission Line

Dear Sir;

Thank-you for this opportunity to speak for the business community in the City of Nogales and Santa Cruz County.

The Nogales Santa Cruz County Economic Development Foundation's position on the proposed draft environmental assessment is we are in favor of the 345 kV line on the western route.

We feel the impact of not having additional power in this region stymie future growth. Some very real needs for additional power are:

1. One community, Rio Rico, has 22,000 platted and sold lots. Currently there are 11,000 people in Rio Rico, which equates to approximately 4,000 lots built on. Some power should be reserved for the sold lots here and through Santa Cruz County. Kino Springs, Bueno Vista, and Nogales all have vacant platted residential lots that will require power at the time the owners build their homes.
2. Our second "Big Box Store", Home Depot is being platted along with our first theater. Our first "Big Box Store", a Super Wal-Mart opened this year and created a significant bump in the amount of power used locally.
3. A 95-acre industrial subdivision in Nogales is in Planning and Zoning for approval.
4. Numerous smaller residential, commercial and industrial approved subdivisions are in various stages of sell-out and build-out. The majority of the vacant private land in Santa Cruz County is zoned "General Rural"

**Nogales Santa Cruz County Economic Development Foundation**  
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1  
cont.

which allows for one home on every 4.5 acre.

5. The government expansion of the truck crossing port at Mariposa Road is under construction. The expansion of the Nogales Waste Water Treatment Plant is under design. Locally, the waste water treatment plant is the largest single user of power.

6. As the EDF, we field many questions from new potential businesses considering setting up business here and employing local people who ask about the availability, cost and reliable electrical power. The above are future electrical needs that should show up somewhere as reserved or planned for future power needs. In addition there are many developments that are in the long term planning stage.

We support the "Joint Commission on Energy Advisory Group Commissioned by City of Nogales and Santa Cruz County Report on Current and Future Electrical Power Needs, June 8, 2001" recommendation that a 345 kV line is

needed for our future. This is a group of 11 individuals appointed by the Nogales City Council and the Santa Cruz Board of Supervisors. The mission of the commission is "To identify key questions (issues) and seek answers (facts) using a fair, unbiased, objective process, for the purpose of generating a comprehensive factual report to assist the citizens of Santa Cruz County, the City's and County's elected officials in developing a strategic long range plan for our community's current and future energy needs."

Thank-you,

Jim Barr  
President

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**Quarles & Brady Streich Lang, On behalf of Caterpillar, Inc.**  
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October 10, 2003

**VIA U.S. MAIL AND FACSIMILE (202-318-7761)**

Dr. Jerry Pell  
 Manager, Electric Power Regulation  
 Office of Fossil Energy (FE-27)  
 U.S. Department of Energy  
 Washington, D.C. 20585-0001

**RE: Comments on Draft EIS for Proposed Tucson Electric Power Company  
 ("TEP") Sahuarita-Nogales Transmission Line, Arizona**

Dear Dr. Pell:

Our office represents Caterpillar, Inc., ("Caterpillar") the world's largest manufacturer of heavy duty earthmoving equipment and medium sized diesel engines, with over 65,000 employees nationwide, including over 65 in southern Arizona. Caterpillar operates a 6,250-acre demonstration center and proving ground known as the Tinaja Hills Demonstration and Application Center and Tucson Proving Ground (the "facility") on private and leased State land south of Tucson. This facility represents a \$30 million investment by Caterpillar, contributes an estimated \$20 million annually to the local economy, draws over twelve thousand visitors a year to the Tucson area, and, as it happens, lies directly in the path of the Western and Crossover routes of TEP's proposed Sahuarita-Nogales transmission line.

The conflict between the proposed Western and Crossover routes and the Caterpillar facility is extremely problematic. Caterpillar is not opposed in principle to the construction of a new TEP transmission line but is concerned that significant land use and socioeconomic impacts were not considered in the Draft Environmental Impact Statement. Below, we describe the significant adverse impacts from the transmission line route as proposed and suggest a short detour that will permit Caterpillar to operate its facility while satisfying TEP's purpose and need. This letter is submitted pursuant to the Federal Register notice dated August 27, 2003, soliciting comments on the Draft EIS for the Sahuarita-Nogales transmission line and is meant to supplement Caterpillar's comments provided at the first public hearing in Green Valley on September 25, 2003.

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**Comment No. 1**

Caterpillar's suggested re-route would be on land owned or leased by Caterpillar, but it is outside the corridor that the ACC directed TEP to use. Accordingly, ACC approval would be needed in order to re-route the line as suggested. The ACC declined to accommodate Caterpillar's request for re-routing at the January 3, 2002 hearing on the CEC. The suggested re-route option was considered in the Final EIS, but as described in Section 2.1.5, was eliminated from detailed study.

As a condition of the Certificate of Environmental Compatibility issued by the ACC to TEP in January 2002, TEP would be obligated to "meet and confer with landowners who are within or adjacent to the Route Corridor and other interested parties in order to develop a plan for specific pole locations that will mitigate the environmental and visual impact of the Project transmission lines within the Route Corridor." Consistent with this obligation, TEP would meet with each landowner and discuss impacts to their particular property, including any issues that a particular landowner has before finalizing the alignment of the transmission line within the corridor considered in this EIS and the location of access roads. This mitigation measure has been added to Section 2.2.6.

**Comment No. 2**

If an action alternative is selected, precise siting of the ROW and support structures, access roads, and ancillary facilities within the ROW would involve input from cultural, biological, and visual specialists, to identify and minimize impacts to each area of land to be disturbed, and input from land owners to mitigate environmental and visual impacts and other concerns on each land owner's property. TEP is required by the ACC to develop mitigation measures to address issues such as safety and illegal immigrants when determining the line alignment. Table 2.2-2 in Section 2.2.6 of the Final EIS has been revised to include TEP's commitment to work with landowners on siting the power line and resolving site-specific safety issues such as those identified in this comment.

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Background

Caterpillar's facility is a 6,250-acre complex of newly constructed offices, auditoriums, classrooms, dining rooms, equipment demonstration and training sites, equipment testing and development areas, and service workshops, all intentionally located in a remote desert area. Massive, mobile, heavy duty earthmoving equipment operated at this facility can exceed 60 feet in height and is operated constantly for research, testing, and training purposes. Other activities conducted at Caterpillar's facility include customer education, training and machine demonstration programs, dealer sales and service training schools, and internal training programs.

The cost to Caterpillar of developing this facility exceeds \$30 million in land purchases, leases, improvements, and equipment. Caterpillar is directly responsible for the employment of at least 65 Arizonans and indirectly supports the employment of many more through outside contracts and visitor services. Caterpillar's estimated \$20 million dollar annual contribution to the local economy results from wages and taxes paid, lease payments made to the State of Arizona, local contracts for related services, and the 12 to 15 thousand visitors who visit the Caterpillar facility each year and who spend more than 30,000 nights in local hotels and money for services in and around Tucson.

Problems With the Western and Crossover Routes As Proposed

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 cont. The Western and Crossover routes of the proposed TEP transmission line, as described in the Draft EIS, bisect Caterpillar's facility within sections 28 and 29, Township 18 South, Range 12 East. This corresponds to the segment of the proposed transmission line between tower locations 2-40 and 2-63. The location of Caterpillar's facility and the area of conflict with the proposed transmission line are depicted on the maps attached hereto as Exhibit A.

2 If the Western or Crossover route is built as proposed in the Draft EIS, the adverse impacts to Caterpillar's facility would be extreme, and much if not all of the regional benefits of the Caterpillar facility would be lost. Negative impacts would include but not be limited to the following:

- Massive equipment greater than 60 feet in height would operate directly underneath the transmission line, often piloted by inexperienced operators undergoing training, posing obvious safety and logistical problems;
- Caterpillar's ability to use its facility for research and training would be hampered and its day-to-day operations disrupted by the intrusion of towers, overhead transmission lines, and access roads;

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**Comment No. 3**

Relative to land use, the purpose of an EIS is not to determine the compatibility of the proposed project with specific adjacent land uses, but to disclose the potential impacts to land use that would result from the proposed project and to determine overall compatibility with land use plans. Property-specific concerns, such as those discussed in this comment, exceed the level of detail that is normally provided in an EIS. However, in response to this and other comments, Section 4.1, Land Use, of the Final EIS has been revised to include a discussion of potential impacts to the Caterpillar Facility and clarify potential impacts on other commercial, residential, and miscellaneous land uses in the project area. See responses to comments 1 and 2 for discussion of how these types of issues would be handled during the siting of the ROW and support structures.

Sections 3.1 and 4.1, Land Use; Section 4.12, Transportation; and Chapter 5, Cumulative Impacts of the Final EIS discuss illegal immigration and U.S. Border Patrol activities in the area and the potential effects of the proposed action on illegal immigrant activity. Because TEP would work with Caterpillar to develop mitigation measures to prevent unauthorized access to Caterpillar's facility (see above), and given the distance of Caterpillar's facility from the U.S.-Mexico border (approximately 35 mi [56 km]), the Federal agencies do not expect a substantial increase in illegal immigrants on Caterpillar's facility as a result of the proposed project.

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**Comment No. 4**

The EIS does not consider impacts to specific property units. Socioeconomic analyses evaluate factors on a regional scale such as employment, income, population, housing, and community services, and potential impacts to these factors, rather than evaluating specific impacts on an individual or company-by-company basis. Additionally, the potential impacts to Caterpillar's facility or associated economic impacts to the area that could result from the proposed project are speculative.

Dr. Jerry Pell  
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 cont. | • The remote setting, a major attraction for customers and visitors to the facility, would be severely compromised, and program attendance, training and equipment demonstration programs would be curtailed as a result;

4 | • The facility could not operate as designed, leading to employee lay-offs and dramatically fewer visitors;

• Increased access across Caterpillar's facility would expose highly sensitive, propriety information to competitors in an extremely competitive market;

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 cont. | • An access route through the property may facilitate the flow of illegal immigrants and other unauthorized visitors to the facility, increasing security costs and interfering with the operation of large and dangerous equipment.

**The importance of the Tinaja Hills facility to Caterpillar and to the region cannot be overstated. It is vital that these impacts be avoided.**

The Draft EIS Fails to Consider These Important Impacts

The Draft EIS fails to address Caterpillar's concerns in its discussion of land use and socioeconomic impacts.

Land Use

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 cont. | The Summary preceding the Draft EIS represents that "[o]utside the Coronado National Forest, each proposed corridor is compatible with current land use and land use plans." Unfortunately, this is decidedly not true with respect to the Caterpillar facility. In the body of the Draft EIS, land use impacts to Caterpillar's facility are not discussed. The discussion of the affected environment recognizes the presence of "commercial and industrial" areas but does not seek to determine whether the proposed Western and Crossover routes are compatible or incompatible with these existing land uses, including the Caterpillar training and proving grounds.

Caterpillar's intensive land use is not compatible with the presence of a transmission line and access road bisecting its facility. As noted, researchers, demonstrators, and trainees operate massive earthmoving equipment across Caterpillar's facility. The footprints of monopoles and lattice towers, overhead transmission lines, and access roads running through the middle of Caterpillar's facility all would disrupt operations and interfere with existing land use.

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Socioeconomics

When the Draft EIS predicts that the majority of socioeconomic impacts from each alternative would be the same, it fails to account for the severe adverse economic effects that would result from the displacement of the Caterpillar facility and its workers.

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The Draft EIS predicts temporary gains in employment associated with construction of the transmission line but does not account for the permanent job losses that would likely occur at the Caterpillar facility if the Western or Crossover route is built as proposed. In many ways, the economic impact of these routes on the Caterpillar facility would undermine the predicted socioeconomic benefits of the project overall.

If transmission line towers present an obstacle to operating farm equipment, as predicted in the Draft EIS, then they certainly will present an obstacle to operating Caterpillar's massive earthmoving equipment – an impact that the Draft EIS does not address. The Draft EIS further predicts that little utility will be lost between towers for property in agricultural use, but does not consider the loss of utility that will occur at Caterpillar's non-agricultural facility.

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cont.

The discussion of right-of-way issues in the socioeconomic section of the Draft EIS disregards the impacts that would be caused to Caterpillar's facility. The Draft EIS explains that typical transmission line easements "require the right to clear the ROW and to keep it clear of all trees, brush, vegetation, other structures, and fire and electrical hazards." In this regard, "access to the ROW must be controlled to maintain safe distances." Clearing a transmission line right-of-way that bisects the Caterpillar facility and controlling access to prevent safety hazards is not compatible with Caterpillar's operations.

If these adverse consequences are avoided – as they can be by adopting the slight detour described below or selecting the Central route – then the proposed project will result in the economic gains described in the Draft EIS without attendant losses at the Caterpillar facility.

A Short Detour Will Avoid Impacts to Caterpillar's Facility While Serving TEP's Needs

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cont.

Caterpillar's goal is to avoid significant, adverse land use and socioeconomic impacts that would be caused by the Western and Crossover routes as proposed and to preserve the positive contributions made by the Caterpillar facility to the local economy, while recognizing TEP's need for the proposed transmission line. Caterpillar has therefore identified a short detour in the route of the transmission line that would be compatible with Caterpillar's land use and still satisfy TEP's needs. This route is depicted on the maps attached at Exhibit A.

Instead of turning to the southwest at location 2-39, the detour would avoid Caterpillar's facility by continuing south along the proposed Central route for approximately 4.25 miles until just south of location 567-27. From there, the transmission line would run west for approximately 3 miles to rejoin the proposed Western and Crossover routes just south of location

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Dr. Jerry Pell  
October 10, 2003  
Page 5

1  
cont.

3A-4. Caterpillar's proposed detour follows an existing gas line for most of its length and avoids the rugged terrain of the Tinaja Hills; it may be more attractive to TEP for that reason. If the transmission line route ultimately selected by DOE is the Central route, then no adjustment needs to be made to avoid Caterpillar's operations.

Conclusion

3  
cont.

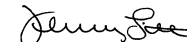
Caterpillar's large training and development facility is part of the affected environment that could be negatively impacted by the proposed transmission line. There are serious questions whether the facility can continue to operate if a transmission line and access road are constructed through center of Caterpillar's proving and demonstration grounds. Caterpillar is interested in cooperating with DOE, TEP, and the Arizona Corporation Commission to identify and adopt a transmission line route that serves TEP's purposes while avoiding conflicts with Caterpillar's operations. Caterpillar appreciates this opportunity to comment on the Draft EIS and hopes that its serious concerns are addressed as further studies and plans unfold.

1  
cont.

If you have any questions or require additional information about Caterpillar's operations and the proposed transmission line detour, please contact me at (520) 770-8739.

Very truly yours,

QUARLES & BRADY STREICH LANG LLP

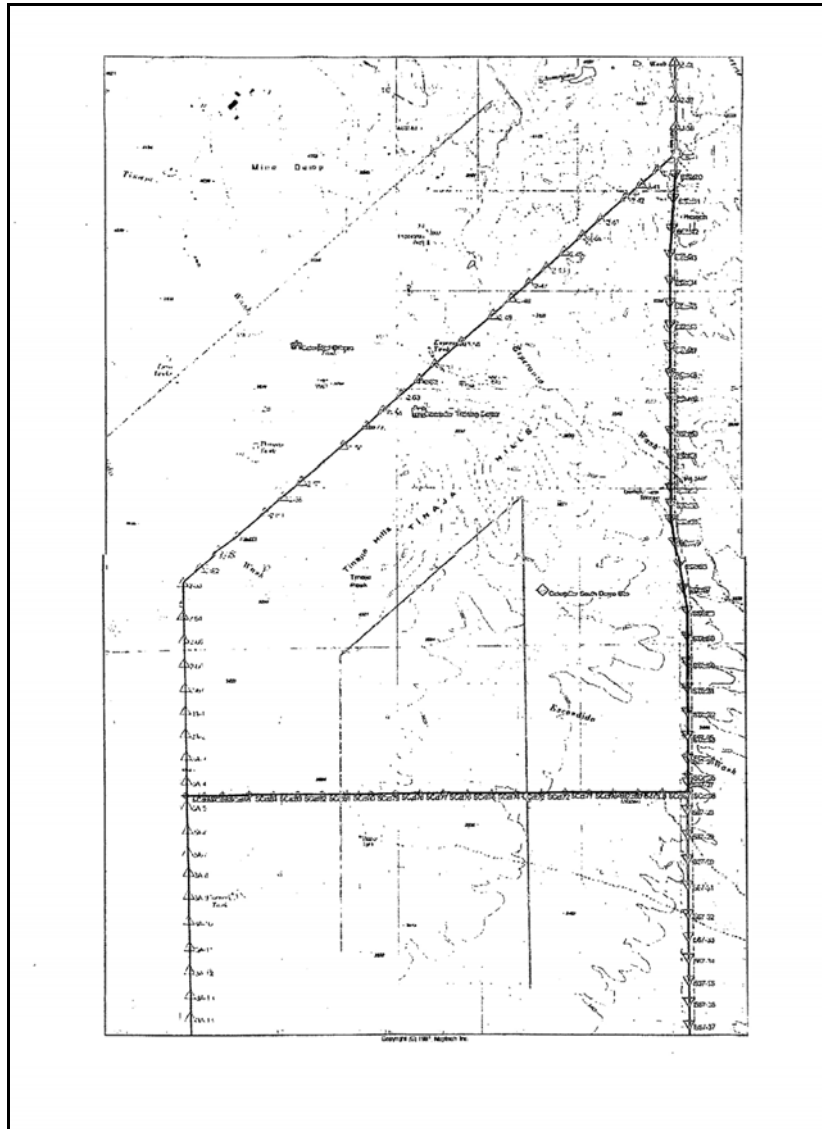
  
Jeremy A. Lite

Enclosure

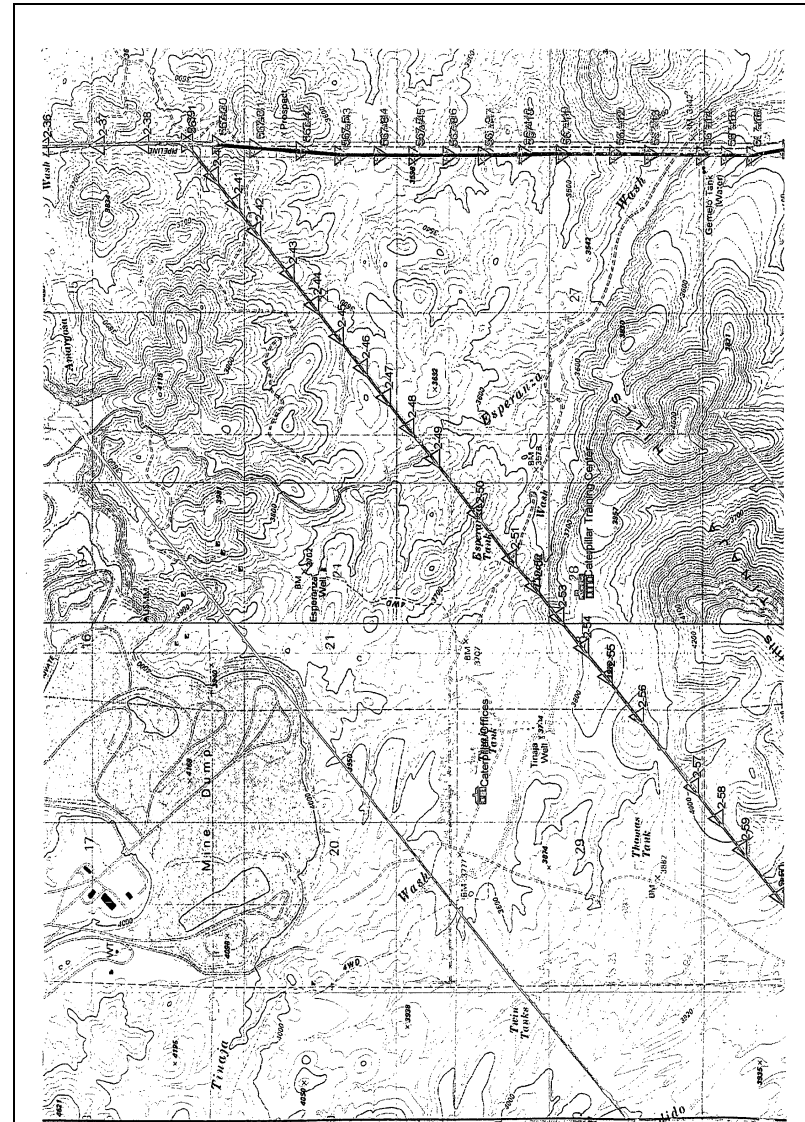
cc: Walt Harrison  
Gayle Hoopes  
Jim Horton  
Matt Turner  
Kevin Quigley

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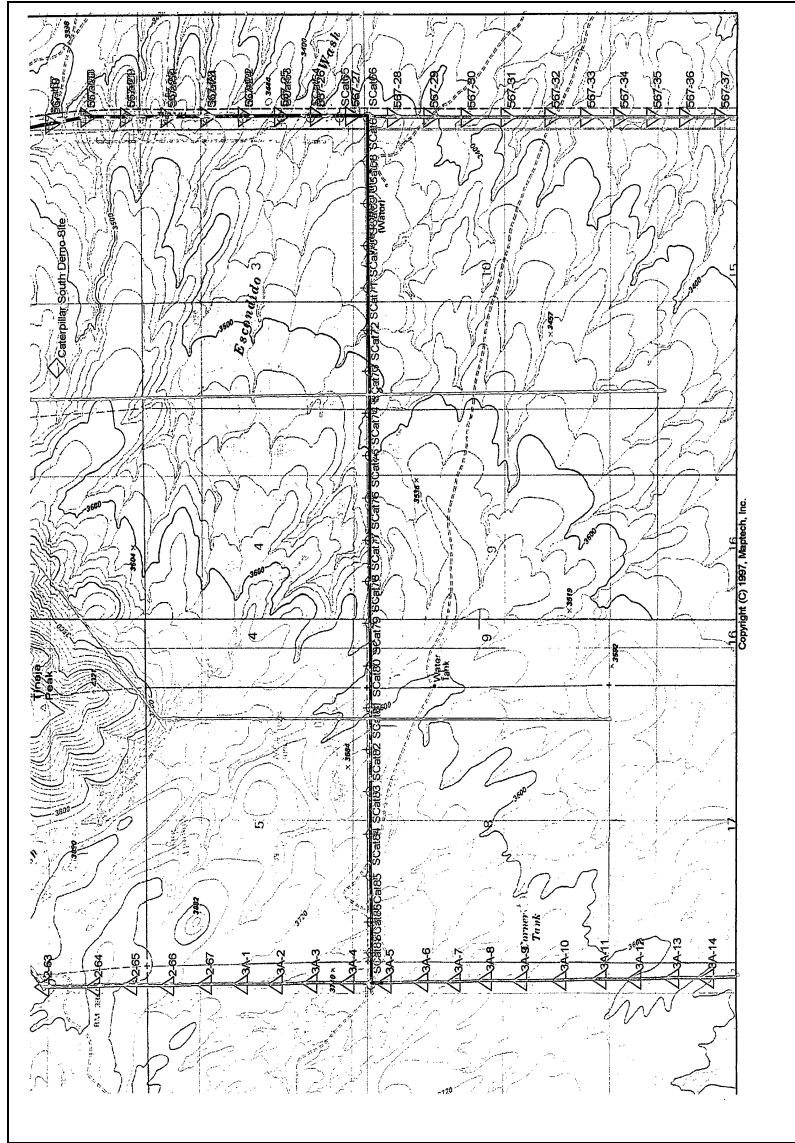
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**Santa Cruz County Flood Control District**  
**Page 1 of 1**

1 | Hays John-Flood District  
Sent: Friday, October 03, 2003 12:44 PM  
To: Pell, Jerry  
Subject: Sahuarita-Nogales Transmission line.  
The following link goes to a site listing the Standards for Critical  
Facilities and Services in Santa Cruz County, Arizona. The transmission  
line would fall under the definition of a critical facility/service.  
<http://www.co.santa-cruz.az.us/flood/CriticalFacilityStandard.pdf>  
  
John E. Hays, E.I.T., C.F.M.  
Floodplain Coordinator  
Santa Cruz County Flood Control District  
[jhays@co.santa-cruz.az.us](mailto:jhays@co.santa-cruz.az.us)  
[http://www.co.santa-cruz.az.us/public\\_works/flood\\_control.html](http://www.co.santa-cruz.az.us/public_works/flood_control.html)  
P. (520) 375-7830  
F. (520) 761-7930

Page 2

**Comment No. 1**

Each Federal agency's ROD will require compliance with all applicable statutes, regulations, and standards, if an action alternative is selected. An analysis of the 500-year floodplain event has been added to the Final EIS in Appendix C.

**Santa Cruz County Flood Control District**  
**Page 1 of 1**

**Comment No. 1**

Refer to the response to the first submittal from the Santa Cruz County Flood Control District.

Hays John-Flood District  
RE: Sahuarita-Nogales Transmission line.

From: John Hays [SMTP:jhays@co.santa-cruz.az.us]  
To: Pell, Jerry  
Cc:

Subject: RE: Sahuarita-Nogales Transmission line.  
Sent: 10/7/2003 3:53 PM  
Importance: Normal  
Mr. Pell,

1 | Simply that the new line, when crossing any regulatory floodplains (peak discharge of 50 cubic feet per second during the 100-year flood event) within the unincorporated portions of Santa Cruz County, Arizona, would require a Floodplain use permit, and would be required to be protected (depending on method of installation) from the 500-year flood event, especially on the larger wash systems. This may mean burying the line deeper or encasing it in concrete to prevent erosion if buried, or ensuring the poles can withstand the 500 year flood, and/or are outside the 500 year floodplain and or erosion potential. I would need more information on the exact route the line would take before I could give more detailed information.

This is true for all utilities in Santa Cruz County as of June of 2002, when the Standard for Critical Facilities and Services was adopted by the General Manager of the Flood Control District.

John E. Hays, E.I.T., C.F.M.  
Floodplain Coordinator  
Santa Cruz County Flood Control District  
jhays@co.santa-cruz.az.us  
[http://www.co.santa-cruz.az.us/public\\_works/flood\\_control.html](http://www.co.santa-cruz.az.us/public_works/flood_control.html)  
P. (520) 375-7830  
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**Santa Cruz County Flood Control District**  
**Page 1 of 1**

**Comment No. 1**

Refer to the response to the first submittal from the Santa Cruz County Flood Control District.

Hays John 2-Flood District  
RE: Sahuarita-Nogales Transmission line.

From: John Hays [SMTP:jhays@co.santa-cruz.az.us]  
To: Pell, Jerry  
Cc:

Subject: RE: Sahuarita-Nogales Transmission line.  
Sent: 10/7/2003 3:57 PM  
Importance: Normal  
Mr. Pell,

1 I should have noted that this does not mean the Santa Cruz County Flood Control District has any veto power over the utility. It is our intention to ensure the line is able to stay operational during a flooding event, so essential and critical services to the community are able to remain operational.

John E. Hays, E.I.T., C.F.M.  
Floodplain Coordinator  
Santa Cruz County Flood Control District  
jhays@co.santa-cruz.az.us  
[http://www.co.santa-cruz.az.us/public\\_works/flood\\_control.html](http://www.co.santa-cruz.az.us/public_works/flood_control.html)  
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